GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:54
ANSWERED ON:03.12.2004
PARTICIPATION OF PRIVATE SECTOR IN EPZs AND SEZs
Gadakh Shri Tukaram Gangadhar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is any proposal pending in the Ministry to encourage private parties, companies to open and operate Export Promotion Zones and Special Economic Zones in different parts of the country;

(b) if so, the details thereof;

(c) whether it will boost exports in our country and enhance foreign exchange reserves;

(d) if so, details thereof;

(e) whether any study is being conducted before taking such a decision; and

(f) if so, the facts thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) & (b) : All the proposals received for setting up of Special Economic Zones (SEZs) in the public, private, joint sector or by the State Governments meeting the requirements contained in the Foreign Trade Policy and Handbook of Procedures have been granted approval. Wherever there are deficiencies in the proposals or any additional information is required, the promoters are advised to rectify the shortcomings and re-submit their proposal. At present, no specific proposal of any private promoter for setting up of an SEZ is pending. There is no scheme for setting up Export Promotion Zones.

(c) & (d) : The SEZ scheme aims to provide an internationally competitive duty free environment for promotion of exports. Exports from the Zones during 2003-2004 were of the order of Rs.13,853.58 crore as compared to the export of Rs.10,056.62 crore during 2002-2003, representing a growth of 38% over the previous year.

(e) & (f) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (e) AND (f) OF THE LOK SABHA STARRED QUESTION NO. 54 FOR ANSWER ON 3.12.2004 REGARDING PARTICIPATION OF PRIVATE SECTOR IN EPZs AND SEZs

(e) and (f): Before formulating the incentive package for SEZs, an exercise on international bench-marking of the facilities/incentives offered to SEZs in other countries was carried out. Some of the major incentives so far announced for promoting SEZs include duty free import/domestic procurement of goods for development, operation and maintenance of SEZs and SEZ units; 100% income tax exemption for a block of 10 years in 15 years to the developers of SEZs; exemption from Central Sales Tax on supplies from Domestic Tariff Area to SEZs; 100% income-tax exemption to SEZ units for first 5 years, 50% for 2 years and thereafter not exceeding 50% of the ploughed back profits for next 3 years.